
APPENDIX I-7

FORM HUD 11703-II – MASTER AGREEMENT FOR PARTICIPATION ACCOUNTING

- Applicability:** HMBS pools in the Ginnie Mae II MBS Program.
- Purpose:** To provide assurance to Ginnie Mae that the monitoring and accounting of Participations for each of the Issuer's securities will be performed in accordance with Ginnie Mae requirements. If applicable, to evidence the establishment or existence of a master agreement for participation accounting.
- Prepared by:** Issuer and, if any, Participation Agent.
- Prepared in:** Electronic form via Ginnie Mae Enterprise
- Completion Instructions:** General instructions to complete and submit this form to Ginnie Mae are as follows:
1. Login into GMEP;
 2. Select the IPMS tab;
 3. Select Master Agreements Management Application;
 4. Enter the data points listed below; and
 5. Select Submission Center tab to submit the agreement
- Note: Form HUD 11702 must be submitted and approved prior to submission of the remaining agreements. Failure to do so will prevent the acceptance of other required Master Agreements.**
- For detailed instructions, see Master Agreement Management User Manual which can be accessed via GMEP.

Issuer Details:

- Issuer Name/Number: Type or select the Issuer Number from the drop down menu, the Issuer name will display.
- Document Date: Using the calendar icon, select the date the agreement being executed.
- Issuer's Signing Officer's Name/Title: These fields may not be edited and default to the name and title of the user authenticating the form.
- Consideration: Enter the annual fee charged by the participation agent (e.g. \$X,XXX.XX).

Serviced By:

- Issuer or Participation Agent: Click the appropriate radio button.
- Participation Agent Detail: Required when a Participation Agent is selected.
- Issuer Number/Name: Select or type the Issuer Number of the Participation Agent from the drop down menu.

- Entity Type: Enter the Participant Agent's organization type (i.e. Corporation, LLC, Company). Confirm the organizational structure prior to entering a response.
- Address: Enter the building name/number and street address of the Participant Agent's location.
- City/State/Zip: Enter and select the location of the Participant Agent's office.
- Signed By/Title: These fields cannot be edited and default to the name and title of the Participation Agent authenticating the form.

**PAPER FORMS ARE ONLY TO BE USED FOR CONTINUITY OF BUSINESS IN THE EVENT
GINNIE MAE SYSTEMS ARE NOT AVAILABLE. YOU MUST RECEIVE PRIOR APPROVAL
FROM YOUR GINNIE MAE ACCOUNT EXECUTIVE BEFORE A REQUEST CAN BE
SUBMITTED IN PAPER FORM.**

Completion instructions for the form.

The circled numbers on the illustrated form correspond with the numbers listed below. If Participation monitoring and accounting will be performed by the Issuer, complete items 1 thru 7. If Participation monitoring and accounting will be performed by an entity other than the Issuer, complete items 1 thru 16.

1. Check the appropriate box.
2. Issuer ID number that has been assigned by Ginnie Mae.
3. Check the appropriate box.
4. Full legal name of Issuer.
5. Signature of authorized officer of Issuer whose name appears on Resolution of Board of Directors and Certificate of Authorized Signatures, form HUD 11702 (Appendix I-2).
6. Date form signed by Issuer.
7. Title of authorized officer signing at (5) above.
8. Date agreement is executed by Issuer and Participation Agent.
9. Type the full legal name of the Participation Agent; type of organization, such as corporation, in which the Participation Agent is formed; jurisdiction in which the Participation Agent is formed; and principal office address of the Participation Agent.
10. Some consideration must be shown; for example, \$1 and other good and valuable consideration; or \$1 monthly or annual fee charged by Participation Agent.
11. Signature and title of attesting officer of Issuer whose name appears on Resolution of Board of Directors and Certificate of Authorized Signatures, form HUD 11702 (Appendix I-2).
12. Full legal name of Issuer.

13. Signature and title of an authorized officer of Issuer whose name appears on Resolution of Board of Directors and Certificate of Authorized Signatures, form HUD 11702 (Appendix I-2).
14. Signature and title of attesting officer of Participation Agent.
15. Full legal name of Participation Agent.
16. Signature and title of an authorized officer of Participation Agent.

OMB Approval No. 2503-0033 (Exp. 10/31/2019)

Public reporting burden for this collection of information is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a current OMB control number.

Ginnie Mae is authorized to collect the information on this form as required by Section 306(g) of the National Housing Act and/or the Ginnie Mae Handbook, 5500.3, Rev. 1. Ginnie Mae maintains this information to ensure that the persons identified below perform in accordance with acceptable business standards. The information collected will not be disclosed outside the Department except as required by law.

Master Agreement for Participation Accounting

**U.S. Department of Housing
and Urban Development**
Government National Mortgage Association

Initial Renewal

Issuer ID Number

The Issuer:

- The Issuer shall perform the monitoring and accounting of pooled Participations designated in a Schedule of Pooled Participations and Mortgages, (form HUD-11706H) for each issue of Ginnie Mae-guaranteed mortgage-backed securities (HMBS).
- The Issuer shall contract with only one third party (a Participation Agent) to perform all monitoring and accounting activities related to pooled Participations as designated in a form HUD-11706H. Issuer's contract with the Participation Agent is set forth below. The Issuer agrees to monitor and evaluate the work of the Participation Agent and correct any findings or results from any reviews.

The Issuer agrees that the Participations designated on each form HUD-11706H are to be monitored and accounted for, whether by the Issuer or by its Participation Agent, in accordance with the requirements set forth in the Ginnie Mae Mortgage-Backed Securities Guide. The Issuer agrees to be responsible and liable for the monitoring and accounting for the Participations, including any acts or omissions of its Participation Agent in connection therewith. The Issuer has in place a quality control plan for monitoring and accounting for the Participations.

Name of Issuer

By

Date

Title

The Issuer and the Participation Agent: (if applicable)

The Agreement, dated this _____ day of _____, 20____, is by and between the Issuer and _____, a _____ duly formed pursuant to the laws of the State or Commonwealth of _____, having a principal office at _____ (Participation Agent).

Whereas, the Issuer proposes to issue mortgage-backed securities guaranteed by the Government National Mortgage Association (Ginnie Mae) pursuant to Section 306(g) of the National Housing Act;

Whereas, these securities will be based on and backed by all pools of Participations identified in the records of Ginnie Mae by the Issuer's ID Number and related to home equity conversion mortgages (HECMs);

Whereas, the parties to this Agreement desire to set forth the terms and conditions for the monitoring and accounting for the Participations pooled under the Ginnie Mae Mortgage-Backed Securities Program.

Now, therefore, in consideration of the mutual undertakings expressed in this Agreement, the parties agree as follows:

1. The Issuer shall originate or acquire HECM loans insured by the Federal Housing Administration (FHA) pursuant to Section 255 of the National Housing Act. The Issuer shall create separate Participations in each HECM loan in the original principal amount and with the terms identified and described in the form HUD-11706H.
2. For each HECM loan, the Issuer shall timely notify the Participation Agent of the original principal balance of the loan and accruals to the loan, as necessary, for the Participation Agent to monitor and account for the Participations.
3. The Participation Agent shall maintain a current database indexed to cross-reference the Pool Numbers, Participation Numbers, Issuer Loan Numbers, Ginnie Mae Loan Numbers and FHA Case Numbers.
4. The Participation Agent shall establish such internal controls, standards and procedures necessary to monitor and account for Participations in accordance with the requirements in the Ginnie Mae Mortgage-Backed Securities Guide, as amended from time to time (the "Guide")
5. At any reasonable time, the Participation Agent shall make available, for examination and audit by representatives of the Issuer or Ginnie Mae, all records in its custody pertaining to the Mortgages or Participations
7. Upon representation to the Participation Agent by Ginnie Mae that an Issuer default has occurred under a Guaranty Agreement between the Issuer and Ginnie Mae, the Participation Agent shall comply with all Ginnie Mae demands, including, but not limited to, the delivery to Ginnie Mae or its designee of all records in the Participation Agent's custody, pertaining to Mortgages or Participations designated in the form HUD-11706H. Such demands shall be in Ginnie Mae's sole discretion.
8. If, following such a default, Ginnie Mae elects to assume or transfer the duties and obligations of the Issuer and elects to continue the services of the Participation Agent, the Participation Agent agrees to continue its obligations herein for Ginnie Mae for a reasonable time on the same terms and conditions set forth in this Agreement, provided that under no circumstance shall Ginnie Mae be obligated to pay any compensation or fee for the holding or release of any Participation records related to any HECM loan during such reasonable period. If, however, Ginnie Mae elects to terminate this Agreement, the Issuer's Participation Agent shall comply with this election to terminate without charge to Ginnie Mae.
9. Consideration for services to be performed by the Participation Agent under this Agreement shall be:

designated in the form HUD-11706H.

- 6. Issuer and Participation Agent both agree that this Agreement is subject to and subordinate to the Guaranty Agreement between the Issuer and Ginnie Mae. This Agreement is for the benefit of, and fully enforceable by, Ginnie Mae. The Participation Agent agrees to comply with the terms of the Guaranty Agreement and the Guide.

The Issuer is responsible for paying any compensation or fees to the Participation Agent. Except as provided in paragraph 8, Ginnie Mae has no obligation to pay any compensation or fee to the Participation Agent.

In Witness Whereof the parties duly execute this Agreement on the date reflected above:

Attest: (Signature and Title)	Name of Issuer
	(Authorized Signature and Title)
Attest: (Signature and Title)	Name of Participation Agent
	(Authorized Signature and Title)

FOR REFERENCE PURPOSES ONLY - NOT VALID FOR SUBMISSION